

## Telephone Scams

### 809 Area Code

A victim receives a page with an unfamiliar phone number beginning with area code 809. The number only leads to an automated message that is intended to keep the caller on the phone line as long as possible. The 809 area code is to a foreign country which charges excessive long distance fees, up to hundreds of dollars per minute.

Another variation of this scam is a message left on an answering machine requesting a potential victim to call regarding information about a relative who has died, been arrested, or injured. The number leads to an automated message machine that racks up long distance minutes.

Since numbers located offshore are not subject to US laws, there is no legal requirement that consumers be informed in advance of any extra charges or fees.

### Special Interest Calling

This scam starts with a phone message advertising a special service, such as piano restoration. In order to find out more about the service victims must press a number on their telephone. By pressing the number they unwittingly accept long distance phone charges from the caller.

### Consumer Tips

- Be aware that it is usually necessary to dial 011 to reach an international location. However, there are some locations outside of the United States such as the Caribbean and Canada whose telephone numbers resemble domestic calls, but carry a higher international rate.
- To check an unfamiliar area code, visit [www.consumer.att.com](http://www.consumer.att.com). At this site, consumers can look up any area code or country code in the world.



## Lottery / Prize Scams

### Canadian Lottery

Scam artists will call or send a letter informing a potential victim that he or she has won big money in the Canadian lottery. In order to claim the prize, though, lottery officials ask the victim to first pay taxes. Weeks later the so-called “tax money” that’s wire is gone, along with the company that solicited the payment.

### Free Savings Bonds

As a promotion, a phony “company” will offer a “free” \$100 savings bond. To receive the free bond, “shipping and handling charges” amounting to a total of \$70 is necessary. Unfortunately, the \$100 savings bond is a 30-year bond that could have been bought from the US Government for only \$63.

### Advance on Winnings

A phony “company” will contact a potential victim to let him know that he has won a prize; it will also offer to advance the “winnings” to build trust. The winnings check will come with instructions to deposit it immediately and wire payment for taxes or bonding. Sometimes these check will clear the bank because the normal time has passed to be notified about a bounced check. After the money is wired the check finally bounces because it turns out to be an elaborate fake.

### Consumer Tips

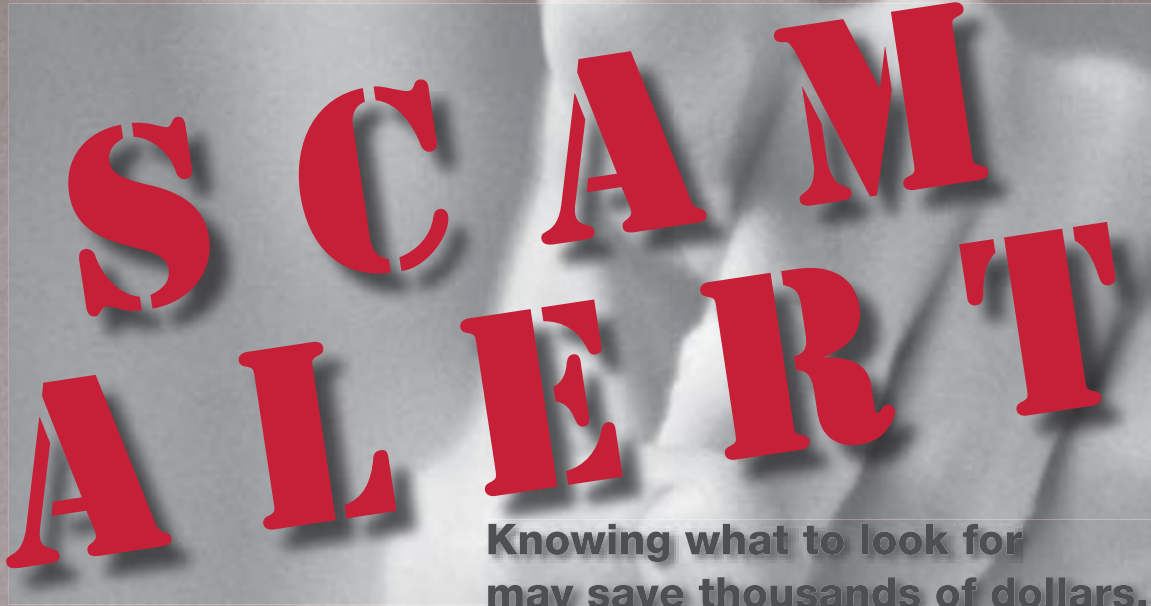
- While taxes may be owed on legitimate prizes, prize winners are only required to pay the tax to the IRS and not the caller.
- As a general proposition, sending lottery material through the mail is prohibited by federal law. Among other things, this includes letters or circulars concerning a lottery, tickets, or any paper claiming to represent tickets, or chances or shares in a lottery.
- Legitimate sweepstakes promotions allow anyone to enter and cannot require a purchase or fee as a condition of playing. Free prize promotions that ask for registration fees, taxes, auditor’s expenses, or storage fees are against the law.



**JOE SIMITIAN**  
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Knowing what to look for  
may save thousands of dollars.





## JOE SIMITIAN

Assemblyman, District 21 • Chair, Select Committee on Privacy

### Dear Friend:

Financial, telemarketing, and sweepstakes scams cost consumers \$3 billion each year. While some scams are seemingly obvious, others are much harder to detect, especially telephone and Internet-based scams.

While consumer scams can happen to anyone at any time, the elderly, in particular, are often targets. And the holidays are a particularly common time for certain scams. Everyone should be on the lookout for the latest scam or con game. Even if you're not at risk, your elderly friends and relatives could lose their life's savings.

With more consumers using computers to conduct financial transactions, con artists have turned to new high-tech ways of gaining personal financial information. And identity theft is a growing problem.

A new law (Senate Bill 247) makes it harder for unauthorized individuals to obtain copies of official birth and death certificates. And if your financial information has been accessed by a hacker, another new law (Assembly Bill 700) requires that you be told about it. To learn more about these laws, log-on to [www.assembly.ca.gov/simitian](http://www.assembly.ca.gov/simitian).

New laws, however, will never take the place of common sense. A better understanding of recent scams will help.

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## Scams: How Do They Work?

### Contractor Scams

#### Get-Out-Of-The-House-Distraction

A contractor will come to a homeowner's door to solicit possible home repairs. After asking the homeowner to step outside to review the proposed repairs an accomplice is sent into the unattended house to go through and steal property.

#### Scare Tactic Racket

Be aware of a contractor who claims to be doing work in a particular neighborhood and has "found" that all the houses have faulty wiring or a dangerous roof problem. Homeowners should not allow contractors to start working without doing a self-inspection of the property first and then contacting other certified contractors for a second opinion.

#### Cash N' Dash

An unscrupulous contractor will ask a homeowner, especially a senior, to drive them to the homeowner's bank to get money to pay his workers - before they do the work. Then the contractor will drive off in the car with the cash.

#### Down Payment Lowdown

After demanding a large down payment before they begin a job, con artist contractors will simply flee with the money.

#### Consumer Tips

- By law, contractors may take no more than 10 percent of the total project or \$1,000, whichever is lower, before starting work.



- In California, any job that costs \$500 or more for material and labor must be performed by a licensed contractor.
- Ask to see the contractor's pocket license and some additional form of identification. It is illegal for a contractor to use another contractor's license.
- After establishing that the contractor's or company's name matches what appears on the pocket license, call the Contractors State License Board's toll-free number, (800) 321-CSLB, or check their web site, [www.cslb.ca.gov](http://www.cslb.ca.gov) to find out if the license is valid.

### Bank Account Scams

#### Money Transfer or "Nigerian Scam"

A request is sent by mail, fax or e-mail, to help a wealthy Nigerian who needs to move millions of dollars out of Nigeria quickly. He offers to pay a hefty fee if he can transfer the funds to a victim's personal bank account but needs the account number first. After providing this information, the bank account is electronically drained.

#### Bogus Checks

A large check is sent in the mail with an urgent request to deposit it in a personal bank account. The sender asks the potential victim to keep a portion of the money and then to wire the rest back to Nigeria or any other designated foreign country. After wiring money from the bank account, the check bounces leaving the victim with nothing.

#### Overpayment Scam

Scam artist will pose as interested buyers of major items like a car or antiques. They'll send the seller a check for thousands of dollars more than the purchase price. When contacted they'll ask the seller to immediately wire back the difference. Unfortunately, the check will bounce and the "difference" wired comes out of the seller's checking account.

#### Consumer Tips

- The fact that a bank may accept a check does not mean that it won't later be found to be fraudulent. Be wary of unsolicited checks or checks with excessive amounts.
- Always keep bank account numbers and other financial information private.
- Report Nigerian money offers by faxing a copy to the US Secret Service at (202) 406-9450. If money has already been lost in one of these schemes, send documentation to the US Secret Service, Criminal Investigation Division, 950 H Street, N.W., Washington, DC 20223 or call (202) 406-9330.
- Resist pressure to wire funds. Scam artists prefer wire transfers because they are harder to detect and they can get their money quickly.

